



Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Environmental and Public Protection  
Cabinet**

**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460

Mark David Goss  
Chairman

Teresa Hill  
Vice Chairman

Gregory Coker  
Commissioner

**NEWS RELEASE**

Contact:  
Andrew Melnykovych  
(502) 564-3940 x208  
(502) 330-5981 (cell)

**PSC DENIES APPROVAL FOR ROWAN COUNTY POWER LINE**  
*EKPC should have considered other routes, Commission says*

FRANKFORT, Ky. (Aug.19, 2005) – The Kentucky Public Service Commission (PSC) has declined to authorize East Kentucky Power Cooperative, Inc. (EKPC) to construct an electric transmission line near Morehead.

In an order issued today, the PSC said that EKPC had demonstrated the line is needed to provide reliable service in the area. But EKPC should have considered routes along existing rights-of-way as alternatives to a proposed route that crosses 4.8 miles of the Daniel Boone National Forest and the Sheltolee Trace National Recreation Trail, the PSC said.

“The Commission finds that creating a new corridor through the Forest for the construction of a transmission line would result in a wasteful duplication of facilities due to the existence of an alternative route that is slightly more costly but would utilize existing rights-of-way,” the PSC said.

EKPC proposed to construct 6.9 miles of 138-kilovolt line to connect a substation near Morehead to a substation near Triplett.

A review of EKPC's application determined that the need for additional transmission lines in the area might be met using alternative routes along existing electric transmission lines, gas pipelines, or highways. Such a route would be 3.5 to 4 miles longer.

EKPC testified that using such an alternative route would increase the cost of the line by slightly more than \$1 million. The higher cost would add about a penny per month to the electric bills of customers served by rural electric cooperatives that buy their power from EKPC.

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The PSC noted that EKPC's proposed route would cross a part of the Daniel Boone National Forest that is free of other power lines. That fact and the presence of the Sheltopee Trace "make the Commission especially sensitive to the location of the proposed line," the PSC said in its order.

Because EKPC began planning the project before state law was changed to require PSC approval of major electric transmission lines, the utility finds itself in a "Catch-22" situation, the PSC acknowledged.

"Unfortunately, this type of dilemma is often unavoidable when legislation changes the rules of regulation," the PSC said. "While the Commission sympathizes with East Kentucky Power's challenge in dealing with the 'Catch-22,' that sympathy does not change our opinion that the law requires the action we take here."

The PSC said it has no authority to require EKPC to file a new application on any specific route, nor is EKPC prohibited from filing again for the same route if other options prove infeasible. But the PSC cautioned EKPC and other electric utilities "that future applications should comprehensively consider the use of existing corridors in planning future transmission."

Today's order and other documents in the case are available on the PSC Web site, [psc.ky.gov](http://psc.ky.gov). The case number is 2005-00089.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.